



## Agency Bill Review for the Office of the Governor

**FROM:** MDE

**TO:** Leah Montgomery, Deputy Chief of Staff for Legislative and Policy Affairs  
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**DATE:** Tuesday, May 23, 2023

**BILL NO:** **CHAPTER:** **XX** **SF / HF:** [HF2497](#)

**AUTHORS:** Representative Cheryl Youakim / Senator Mary Kunesh

**TITLE:** Omnibus K-12 Bill

**VOTE:** **House:** 70-62 **Senate:** 35-32

Is this bill a Governor's Initiative?	Yes
Is this bill an agency initiative?	Yes
Does this bill have a fiscal impact?	Yes

What action is your agency recommending? Approval

**Commissioner's Signature** (have your Commissioner sign to denote that she/he has reviewed and approves as drafted and the information included is accurate)

**Summary of Legislative Path:** This bill was heard in both the House and Senate Education Policy and Education Finance committees, and were both referred from the respective Ways and Means and Finance committees to the body Floors for debate. The bills differed enough to require a conference committee, the final Conference Committee Report is linked above and was given its final vote of approval in both bodies on May 16, 2023.

**Executive Summary:** This bill contains an historic \$5.5B investment in Minnesota's public schools. Part of this investment includes a 4% increase to the General Education Formula in



FY24, a 2% increase in FY25, and an ongoing tie of the formula increase to inflation. Under this inflation tie-in, the General Ed formula can expect to receive a minimum 2% and maximum 3% increase per year. This bill also increases per pupil English learner funding and creates a new cross-subsidy reduction aid through an investment of \$258M between FY24-27. \$667M and \$960M in the first and second biennia, respectively will reduce the Special Education cross-subsidy by 44% per year in FY24-26; beginning in FY27, the cross-subsidy will be reduced by 50% per year.

Other significant investments in the bill include the creation of 5,200 voluntary prekindergarten seats, in addition to the continuation of the otherwise expiring 4,000 seats, approximately \$8M/year for paraprofessional training, \$27M/biennia to support the delivery of MTSS in schools, and a new aid stream designed to aid schools to hire, train, and retain student support personnel. The later provides \$64.4M in FY24-25 and \$117.7M in FY26-27. This aid also works hand-in-hand with a new student support personnel workforce pipeline, funded at \$5M per year ongoing. This bill also increases the yearly allocation for American Indian Education Aid by approximately 75%, and funds a compensatory revenue fix related to universal meals at \$20M in the second biennium.

In addition to aid to school districts and charter schools, the bill funds a number of grants. These grants include funding for the successful Grow Your Own program, allow for the expansion of the statewide teacher mentoring program, a newly created pipeline for special education teachers, and funding for educator training on nonexclusionary discipline practices.

Article 3 of this bill contains the literacy investment known as the READ Act. The READ Act provides funding to train all teachers in evidence-based literacy instruction, statewide Regional Literacy Networks to support educators, and curriculum and instructional materials for districts.

This bill contains many policy and budget provisions that address the specific cultural and academic needs of American Indian students. This includes protecting the rights of American Indian students to wear tribal regalia at graduation ceremonies, prohibiting Minnesota schools from using American Indian likenesses or associated imagery as mascots without Tribal Nation approval, ensuring that American Indian Education Aid is used for its intended purpose, ensuring that Tribal Nations have a dedicated role in the academic standards revision processes, and providing a more inclusive and accurate definition of American Indian in Minnesota.

Finally, the bill contains policy that the Governor and Department have sought for years. This includes definitions and expectations regarding the use of nonexclusionary discipline in schools, requires that eligible PSEO higher education institutes not require a statement of faith to admit PSEO students, ensures that students in Minnesota will learn about Indigenous peoples history and culture and will have a full and accurate picture of their education through ethnic studies. The bill also repeals the outdated language in the Online Learning Option Act, and replaces it with more contemporary language to meet the needs of schools and students in a world changed by a pandemic, the Online Instruction Act.



**Agency Impact:** This bill will allow MDE to maintain current operating levels, allow for upgrades to information technology systems, establish several new programs, and carry forward much of the work that began with federal COVID-related funding. The Human Resource and Finance areas of MDE will be tasked with supporting divisions as they hire numerous positions and work to roll out new grants.

**Citizen Impact:** This investment in education will provide districts and schools across the state with historic amounts of funding. Funding for special education and English learner cross subsidies will free up districts' general funds and new or expanded programs will increase access and opportunity for students. Investments in literacy, MTSS, and non-exclusionary discipline practices will create more supportive and effective learning environments, while investments in programs like Grow Your Own, the special education teacher pipeline, statewide mentoring, paid paraprofessional training, and student support personnel will support teachers and educators in the classroom.

#### **Repealers:**

- **Article 1:** repeals statutory references related to free school lunch that are no longer relevant with the passage of universal meals earlier in session.
- **Article 2:** repeals the current version of the Online Learning Option Act, which has been replaced with the Online Instruction Act.
- **Article 3:** repeals statute on phonics and old reading instruction language that will be replaced by READ Act language.
- **Article 5:** strikes language on board composition and reporting to PELSB that is outdated; strikes rules on degree requirements for teacher candidates at various Tier levels; repeals old coursework requirements for teacher candidates.

#### **Supporters:**

- School management and administrative groups
- MN Ethnic Studies Coalition
- Education Minnesota
- MN Coalition for Children with Disabilities
- MN School Social Work Association
- MN Association of Charter Schools
- Minnesota Alliance of Boys and Girls Clubs
- Education Partnerships Coalition
- Solutions Not Suspensions
- BARR Center
- Computer Science for All Minnesota
- EdAllies (discipline reform, EL and SpEd cross subsidies reduction)
- MN Private College Council (teacher recruitment and retention funding)

#### **Opponents:**

- Families with students in PSEO raised extensive opposition to PSEO faith statement



admission prohibition.

- EdAllies and education reform groups raised public opposition to elimination of the Tier 2 to 3 pathway through portfolio and experience. They were not satisfied with grandfathering of current Tier 2 license holders.

**Additional Relevant Information:** GOP opposition on public record concerning ethnic studies, PSEO faith-based admission prohibition, “unfunded mandates”, and not taking literacy seriously enough.

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